

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION – DETROIT

FILED

In the matter of:

2014 JUL 11 P 12:05

CITY OF DETROIT, MICHIGAN

Case No. 13-53846-SMD

U.S. BANKRUPTCY
C.D. MICHIGAN-DETROIT

Chapter 9

Hon. STEVEN W. RHODES

Debtor _____/

OBJECTION TO CITY OF DETROIT'S PLAN OF ADJUSTMENT [DOCKET 4392]

FILED BY: Paulette Brown

_____ hereby states his/her/their OBJECTION TO:

CITY OF DETROIT'S PLAN OF ADJUSTMENT

for the following reasons.

1. I / we am/are interested in the Bankruptcy of the City of Detroit because

I am a City of Detroit Retiree

2. I / we object to the above filing because:

I object to the Plan of Adjustment because it so deprives me of my right to due process under the law with regard to the Recoupment of Annuity Funds See attached statement and objection

3. I have/ have not attached additional sheets to explain and establish my position.

I hereby certify that the statements made herein are true and correct under penalty of perjury and contempt of Court under the laws of the United States of America.

Wherefore I/ we request the Court will deny the relief sought in said filing.

Name: Paulette Brown

Signature: Paulette Brown

Address: 19260 LANCASHIRE

DETROIT, MI 48223

Email: COOKIE 413@ATT.NET

Dated:

Date: 7-11-2014

I believe that the plan to recoup the interest that was considered excessive is a violation of my right to due process of the law because it is an attempt to take back interest money that was earned on monetary contributions to the City of Detroit Annuity Savings Fund from fiscal years 2003 through 2013, retroactively using rules suggested by the Detroit City Council in 2011. Therefore, I object to the plan to recoup or claw back any funds or interest earned while my money was in the City of Detroit's Annuity Savings Fund. The proposed recoupment/claw back is an attempt to illegally apply new rules to a plan that has been in existence for over 30 years, operating under a guaranteed interest rate of at least 7.9%. Traditionally, notice is given of proposed changes, which will take effect at a date in the future. Individuals may then accept the proposed changes or opt out of the Plan, in the event the Plan no longer meets their needs once the changes have been presented.

Additionally, over the last ten years, the City of Detroit Annuity Savings Fund has performed better than 7.9% a majority of the time, according to the 2012 audit report by Plante Moran:

Yr-2003	3.3%
Yr-2004	15.6%
Yr-2005	8.3%
Yr-2006	11.6%
Yr-2007	18.9%
Yr-2008	-4.3%
Yr-2009	-18.8%
Yr-2010	8%
Yr-2011	18.7%
Yr-2012	<u>-0.4%</u>

As I stated before, as a United States citizen, I believe that the recoupment of any part of my annuity savings fund monies, deprives me of my fifth and fourteenth constitutional amendments right to life, liberty or property without due process of the law.

Emergency Manager Orr, is applying 2011 suggested rules and guidelines on the City of Detroit sponsored annuity savings fund ex post facto, thus depriving those in the Plan of fair notice. If we cannot go back and make changes to our plan based on the 2011 suggested rules and guidelines, then he should not be able to go back and impose them upon us. If I had known that the Plan did not guarantee interest of 7.9% or more, then maybe I would have decided not to put/keep my money in the fund like some of my other fellow employees. There was a

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scenario presented at one of the informational meetings about the plan that was presented something like this:

Two brothers worked for the city of Detroit and one of them made more money than the other, so he was able to set aside money from his paycheck for the annuity savings fund. So, due to the 7.9% interest that his money earned in the fund, he had a pretty nice nest egg upon retiring. The other brother, on the other hand, had a more modest amount in his pension when he retired. However no one knows if the brother with the modest pension chose to invest money from his paycheck with an outside investor and had good financial results. He may have ended up with more money than his brother who saved money in the city's annuity savings fund. Without the financial records of all retirees from all sources, all the city can do is assume that the brother who chose the city's plan fared better. As retirees in the same class, we are being treated differently based upon an unfounded and unsupported assumption. We are being penalized because we chose different ways to save or invest.

The Pension Plan of the General Retirement System of the City of Detroit is an independent trust qualified under applicable provisions of the Internal Revenue Code and is an independent entity (separate and distinct from the employer/plan sponsor) as required by (1) State law and (2) Internal Revenue Code provisions setting forth qualified plan status. The Trustees of the Plan have fiduciary obligations and legal liability for any violations of fiduciary duties as independent trustees.

If the Plan Trustees did anything illegal while managing the Plan, then they are legally liable, not the fund participants. I trust that the Trustees were managing the plan appropriately and under the rules and regulations that were in place. The Plan was regularly audited and was found to be performing well as compared to the industry standards.